

SENATE, No. 612

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

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District 17 (Middlesex and Somerset)

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District 14 (Mercer and Middlesex)

SYNOPSIS

Dedicates first \$300 million from State's participation in Regional Greenhouse Gas Initiative for electric vehicle programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/23/2018)

1 AN ACT concerning the use of proceeds from the greenhouse gas
2 emissions allowance trading program, and amending and
3 supplementing P.L.2007, c.340 (C.26:2C-46 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) a. Notwithstanding the provisions of sections 7
9 through 9 of P.L.2007, c.340 (C.26:2C-51 through 53), or any rule
10 or regulation adopted pursuant thereto, to the contrary, the first
11 \$300 million in the “Global Warming Solutions Fund” received
12 after the effective date of P.L. , c. (C.) (pending before
13 the Legislature as this bill) as a result of any sale, exchange, or
14 other conveyance of allowances through a greenhouse gas
15 emissions allowance trading program shall be dedicated to fund
16 programs related to electric vehicles and electric vehicle
17 infrastructure. Programs to be funded by this dedicated amount
18 shall include: rebates to purchasers of electric vehicles; funding,
19 including loans or grants, for electric vehicle infrastructure; funding
20 to assist local government units with costs incurred to revise
21 municipal or county master plans to include public electric vehicle
22 infrastructure; and other initiatives specifically designed to
23 stimulate the purchase and use of electric vehicles in the State.

24 b. (1) Within one year after the effective date of P.L. ,
25 c. (C.) (pending before the Legislature as this bill), the
26 Department of Environmental Protection, in consultation with the
27 board, the Department of Community Affairs, the Department of
28 Transportation, and the New Jersey Economic Development
29 Authority, shall adopt, in accordance with the “Administrative
30 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), guidelines
31 and a priority ranking system to be used to assist in annually
32 allocating funds to eligible projects or programs specifically
33 designed to stimulate the purchase and use of electric vehicles and
34 strengthen the electric vehicle charging infrastructure in the State.
35 The guidelines and priority ranking system developed pursuant to
36 this subsection shall take into account the criteria set forth in
37 subsection b. of section 7 of P.L.2007, c.340 (C.26:2C-51).

38 (2) Within one year after the effective date of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), the
40 Department of Environmental Protection shall adopt, in accordance
41 with the “Administrative Procedure Act,” rules and regulations
42 setting forth the specific programs to be funded with the proceeds
43 dedicated pursuant to subsection a. of this section, and any
44 application criteria or guidelines therefor.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 c. By March 1 of each year, the Commissioner of Environmental
2 Protection shall provide a written report to the Legislature, as
3 provided pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
4 summarizing the programs and specific projects funded with the
5 proceeds dedicated pursuant to subsection a. of this section, and
6 providing any recommendations for possible legislative action
7 deemed necessary or desirable to further stimulate the purchase and
8 use of electric vehicles and strengthen the electric vehicle charging
9 infrastructure in the State.

10
11 2. Section 7 of P.L.2007, c.340 (C.26:2C-51) is amended to read
12 as follows:

13 7. a. The agencies administering programs established pursuant
14 to this section shall maximize coordination in the administration of
15 the programs to avoid overlap between the uses of the fund
16 prescribed in this section.

17 b. **【Moneys】** Except as otherwise provided pursuant to section
18 1 of P.L. , c. (C.) (pending before the Legislature as this
19 bill), monies in the fund, after appropriation annually for payment
20 of administrative costs authorized pursuant to subsection c. of this
21 section, shall be annually appropriated and used for the following
22 purposes:

23 (1) Sixty percent shall be allocated to the New Jersey Economic
24 Development Authority to provide grants and other forms of
25 financial assistance to commercial, institutional, and industrial
26 entities to support end-use energy efficiency projects and new,
27 efficient electric generation facilities that are state of the art, as
28 determined by the department, including but not limited to energy
29 efficiency and renewable energy applications, to develop combined
30 heat and power production and other high efficiency electric
31 generation facilities, to stimulate or reward investment in the
32 development of innovative carbon emissions abatement
33 technologies with significant carbon emissions reduction or
34 avoidance potential, to develop qualified offshore wind projects
35 pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), and to
36 provide financial assistance to manufacturers of equipment
37 associated with qualified offshore wind projects. The authority, in
38 consultation with the board and the department, shall determine:
39 (a) the appropriate level of grants or other forms of financial
40 assistance to be awarded to individual commercial, institutional,
41 and industrial sectors and to individual projects within each of these
42 sectors; (b) the evaluation criteria for selecting projects to be
43 awarded grants or other forms of financial assistance, which criteria
44 shall include the ability of the project to result in a measurable
45 reduction of the emission of greenhouse gases or a measurable
46 reduction in energy demand, provided, however, that neither the
47 development of a new combined heat and power production facility,
48 nor an increase in the electrical and thermal output of an existing

1 combined heat and power production facility, shall be subject to the
2 requirement to demonstrate such a measurable reduction; and (c)
3 the process by which grants or other forms of financial assistance
4 can be applied for and awarded including, if applicable, the
5 payment terms and conditions for authority investments in certain
6 projects with commercial viability;

7 (2) Twenty percent shall be allocated to the board to support
8 programs that are designed to reduce electricity demand or costs to
9 electricity customers in the low-income and moderate-income
10 residential sector with a focus on urban areas, including efforts to
11 address heat island effect and reduce impacts on ratepayers
12 attributable to the implementation of P.L.2007, c.340 (C.26:2C-45
13 et al.). For the purposes of this paragraph, the board, in
14 consultation with the authority and the department, shall determine
15 the types of programs to be supported and the mechanism by which
16 to quantify benefits to ensure that the supported programs result in a
17 measurable reduction in energy demand;

18 (3) Ten percent shall be allocated to the department to support
19 programs designed to promote local government efforts to plan,
20 develop and implement measures to reduce greenhouse gas
21 emissions, including but not limited to technical assistance to local
22 governments, and the awarding of grants and other forms of
23 assistance to local governments to conduct and implement energy
24 efficiency, renewable energy, and distributed energy programs and
25 land use planning where the grant or assistance results in a
26 measurable reduction of the emission of greenhouse gases or a
27 measurable reduction in energy demand. For the purpose of
28 conducting any program pursuant to this paragraph, the department,
29 in consultation with the authority and the board, shall determine:
30 (a) the appropriate level of grants or other forms of financial
31 assistance to be awarded to local governments; (b) the evaluation
32 criteria for selecting projects to be awarded grants or other forms of
33 financial assistance; (c) the process by which grants or other forms
34 of financial assistance can be applied for and awarded; and (d) a
35 mechanism by which to quantify benefits; and

36 (4) Ten percent shall be allocated to the department to support
37 programs that enhance the stewardship and restoration of the State's
38 forests and tidal marshes that provide important opportunities to
39 sequester or reduce greenhouse gases.

40 c. (1) The department may use up to four percent of the total
41 amount in the fund each year to pay for administrative costs
42 justifiable and approved in the annual budget process, incurred by
43 the department in administering the provisions of P.L.2007, c.340
44 (C.26:2C-45 et al.) and in administering programs to reduce the
45 emissions of greenhouse gases including any obligations that may
46 arise under subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-
47 55).

1 (2) The board may use up to two percent of the total amount in
2 the fund each year to pay for administrative costs justifiable and
3 approved in the annual budget process, incurred by the board in
4 administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.)
5 and in administering programs to reduce the emissions of
6 greenhouse gases including any obligations that may arise under
7 subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-55).

8 (3) The New Jersey Economic Development Authority may use
9 up to two percent of the total amount in the fund each year to pay
10 for administrative costs justifiable and approved in the annual
11 budget process, incurred by the authority in administering the
12 provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in
13 administering programs to reduce the emissions of greenhouse
14 gases.

15 d. The State Comptroller shall conduct or supervise
16 independent audit and fiscal oversight functions of the fund and its
17 uses.

18 (cf: P.L.2010, c.57, s.5)

19
20 3. Section 9 of P.L.2007, c.340 (C.26:2C-53) is amended to read
21 as follows:

22 9. a. **【The】** Except as otherwise provided pursuant to section 1
23 of P.L. , c. (C.) (pending before the Legislature as this
24 bill), the annual appropriations act for each State fiscal year shall,
25 without other conditions, limitations or restrictions, appropriate the
26 moneys in the Global Warming Solutions Fund for the purposes set
27 forth in subsections b. and c. of section 7 of P.L.2007, c.340
28 (C.26:2C-51).

29 b. If the provisions of subsection a. of this section are not met
30 on the effective date of an annual appropriations act for the State
31 fiscal year, or if an amendment or supplement to an annual
32 appropriations act for the State fiscal year should violate the
33 requirements of subsection a. of this section, the Director of the
34 Division of Budget and Accounting in the Department of the
35 Treasury shall, not later than five days after the enactment of the
36 annual appropriations act, or an amendment or supplement thereto,
37 that violates any of the requirements of subsection a. of this section,
38 certify to the Commissioner of Environmental Protection that the
39 requirements of subsection a. of this section have not been met.

40 c. Sections 1 through 8 of P.L.2007, c.340 (C.26:2C-45 through
41 C.26:2C-52) and section 1 of P.L. , c. (C.) (pending
42 before the Legislature as this bill) shall be without effect on and
43 after the 10th day following a certification by the Director of the
44 Division of Budget and Accounting in the Department of the
45 Treasury pursuant to subsection b. of this section.

46 (cf: P.L.2007, c.340, s.9)

1 4. This act shall take effect immediately and apply to any
2 proceeds received by the State after the date of enactment of this
3 act.
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5
6 STATEMENT
7

8 This bill revises the current law concerning the use of proceeds
9 received by the State from participation in the Regional Greenhouse
10 Gas Initiative (RGGI). Specifically, this bill would dedicate the
11 first \$300 million in proceeds received by the State to fund
12 programs related to electric vehicles and electric vehicle
13 infrastructure.

14 Programs to be funded would include: rebates to purchasers of
15 electric vehicles; funding, including loans or grants, for electric
16 vehicle infrastructure; funding to assist local government units with
17 costs incurred to revise municipal or county master plans to include
18 public electric vehicle infrastructure; and other initiatives
19 specifically designed to stimulate the purchase and use of electric
20 vehicles in the State. The bill directs the Department of
21 Environmental Protection (DEP), in consultation with the Board of
22 Public Utilities, the Department of Community Affairs, the
23 Department of Transportation, and the New Jersey Economic
24 Development Authority, to adopt guidelines and a priority ranking
25 system to be used to assist in annually allocating funds to eligible
26 projects or programs specifically designed to stimulate the purchase
27 and use of electric vehicles and strengthen the electric vehicle
28 charging infrastructure in the State. The DEP is also charged with
29 adopting rules for the specific programs to be funded with these
30 RGGI proceeds.

31 Any proceeds received by the State beyond the first \$300 million
32 would be dedicated to the various energy and greenhouse gas
33 reduction programs specified in current law, e.g., to fund programs,
34 as enumerated in P.L.2007, c.340 (C.26:2C-45 et seq.), to promote
35 renewable energy, energy efficiency, energy demand reduction,
36 greenhouse gas reduction, and forest stewardship.

37 P.L.2007, c.340, commonly referred to as the “RGGI”
38 implementing law, was enacted to further the purposes of the
39 “Global Warming Response Act” (GWRA), P.L.2007, c.112
40 (C.26:2C-37 et al.). The RGGI implementing law partially
41 implements the policies of the GWRA by creating an emissions
42 auction and trading mechanism to reduce the level of greenhouse
43 gas emissions, especially carbon dioxide. P.L.2007, c.340
44 recognizes the State’s participation in RGGI by setting forth the
45 parameters to be followed for allowance auctions, creating the
46 “Global Warming Solutions Fund,” and statutorily dedicating all the
47 proceeds received from the sale, exchange, or other conveyance of

1 allowances through a greenhouse gas emissions allowance trading
2 program to the fund.

3 The New Jersey's Energy Master Plan encourages the greater use
4 of electric vehicles by improving and expanding the electric vehicle
5 charging infrastructure needed throughout New Jersey. A report of
6 the New Jersey Energy Master Plan Alternative Fuels Work Group
7 identified the development, installation, and maintenance of electric
8 vehicle charging infrastructure, both at home and at strategically
9 selected public places, as one of the most significant opportunities
10 for, and barriers to, advancing the deployment and use of electric
11 vehicles in New Jersey. The development of an electric vehicle
12 charging infrastructure is a critical step in creating jobs, fostering
13 economic growth, reducing greenhouse gas emissions, reducing our
14 reliance on foreign fuels, and reducing pollution attributable to the
15 operation of petroleum-based vehicles. Limited driving distance
16 between battery charges is a fundamental disadvantage and obstacle
17 to broad consumer adoption of vehicles powered by electricity. In
18 order to eliminate this fundamental disadvantage and dramatically
19 increase consumer acceptance and usage of electric vehicles, it is
20 essential that a network of convenient electric vehicle charging
21 opportunities be developed.

22 In addition, according to the Rutgers Climate Institute's 2012
23 Update to the New Jersey's Statewide Greenhouse Gas Emissions
24 Inventory for 2009, the transportation industry sector is the largest
25 source of air pollution in New Jersey, accounting for 46.3 percent
26 of the State's greenhouse gas emissions. Accelerating the adoption
27 of electric vehicles and electric vehicle charging stations will help
28 reduce greenhouse gases, address the impact of combustion engine
29 vehicular travel on health, and create jobs in the State, and
30 depending on the source of electricity, the use of electric vehicles
31 can also promote the generation of renewable energy in the State.